

**MINUTES
OF THE JOINT WORK SESSION OF THE
EDINA CITY COUNCIL
HELD AT CITY HALL
AUGUST 5 2013
5:40 P.M.**

CALL TO ORDER

The meeting was called to order by Mayor Hovland at 5:40 p.m.

ROLL CALL

Answering roll call were Members Bennett, Brindle Sprague, Swenson and Mayor Hovland.

Staff attending the meeting included: Jennifer Bennerotte, Communications and Technology Services Director; Wayne Houle, City Engineer; Annie Johnson, City Manager Intern; Ann Kattreh, Park & Recreation Director; Karen Kurt, Assistant City Manager; Debra Mangen, City Clerk; Scott Neal, City Manager; Eric Roggeman, Assistant Finance Director; and John Wallin, Finance Director

Mayor Hovland stated the purpose of the meeting was to review the 2014-15 Work Plan and 2014-2015 Operating Budget

2014-2015 WORK PLAN

City Manager Neal reviewed the strategic priorities developed to date, noting a detailed description, key performance indicators and annual goals for: 1) Infrastructure, 2) Commercial and Mixed Use Redevelopment, 3) Workforce, 4) Communication and Engagement, 5) Community Vision, and 6) Aviation Noise. The Council and staff briefly discussed the six strategic priorities. Staff will develop a more formal 2014-2015 Work Plan for the coming biennium.

2014-2015 OPERATING BUDGET

Manager Neal reviewed the process followed to date in developing the 2014-15 Operating Budget. He noted that if all of 70 budget requests were implemented it would require approximately \$1.4 M additional expenditures with about \$700,000 new revenue opportunities and eight new full-time positions. There were also several adjustments to part time staffing and seven requests to cover additional health care costs that are expected as a result of PPACA. However, with the legislature's levy limits, Mr. Neal explained the 2014 budget could not increase beyond 3% of the tax capacity levies payable in 2014. He added that the partial municipal sale tax exemption, the delay of PPACA, the city's proposed health insurance increases, changes to the PERA Policy & Fire fund and the addition of new services since the 2012—13 budget was developed, all present opportunities and challenges in development of the city's budget. Mr. Neal explained his recommendation would focus on three areas: workforce related costs, technology and capital. Some scenarios were reviewed and the Council discussed various aspects to be considered in the development of the 2014-15 budget. The next step would be the development of the maximum possible levy that must be adopted in September, but which can be adjusted downward before the final levy is adopted in December.

Respectfully submitted,

Minutes approved by Edina City Council, August 20, 2013.

Debra A. Mangen, City Clerk

James B. Hovland, Mayor